NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE (No Surface Use)

			(I TO DUI	race esc,			
THIS LEASE A	GREEMENT is made this _	8	day of	<b>L</b>		, 2008, by and between	
whose address is and, DALE PROPER	TT Debie RTY SERVICES, L.L.C., 210 as Lessee, but all other prov	Street 3	Suite 1870 Daila	Tegas 7 Lell 8	see. All printed po	rtions of this lease were	as Lessor
<ol> <li>In consider</li> </ol>	ration of a cash bonus in h inafter called leased premise	and paid and th					Lessee the following
OUT OF THE 7	RES OF LAND, MORE	<del>\</del> \ \			ADDITIO	, BLOCK	TO THE CITY OF
IN VOLUME_	74. 204 , P	AGE, T.	ARRANT COUI	NTY, TEXAS, ACC OF THE PLAT RE	ORDING TO 1 CORDS OF TA	THAT CERTAIN PARRANT COUNTY	LAT RECORDED /, TEXAS.
substances produce commercial gases, a land now or hereafte Lessor agrees to exe	rrant, State of TEXAS, con on or otherwise), for the pur d in association therewith is well as hydrocarbon gase or owned by Lessor which are cute at Lessee's request any nount of any shut-in royalties	pose of exploring geoples. In addition to econtiguous or addition for additional or su	ng for, developing, hysical/seismic ope the above-describ adjacent to the aboupplemental instrum	rations). The term "ga ed leased premises, this eve-described leased pre ents for a more complete	oil and gas, alon s' as used herein lease also covers mises, and, in con or accurate descr	g with all hydrocarbon includes helium, carb accretions and any sm sideration of the aforen iption of the land so cov	and non hydrocarbor on dioxide and other hall strips or parcels of hentioned cash bonus pered. For the purpose
as long thereafter as otherwise maintained.  3. Royalties o separated at Lessee Lessor at the wellhest the wellhead market prevalling price) for production, severand Lessee shall have the no such price then puthe same or nearest more wells on the lear are waiting on hydraube deemed to be prothere from is not bein Lessor's credit in the while the well or well is being sold by Less following cessation of terminate this lease.	which is a "paid-up" lease re oil or gas or other substanct in effect pursuant to the properties of in effect pursuant to the properties of in effect pursuant to the properties of the production of similar graduction in the same field, it preceding date as the date cased premises or lands pooleulic fracture stimulation, but soducing in paying quantities in goold by Lessee, then Leidepository designated belows are shut-in or production the see from another well or well of such operations or production by all productions or production of such operations or production of such operations or under this lease.	es covered here visions hereof. The produced are evil purchaser's same field (or it is and gravity; (in the costs incure exact herewith are in the neares on which Lessee at the the costs incured in the purpose of the purpose is see shall pay saw, on or before the purpose is on the leased incured in the leased incured in the purpose is	by are produced in and saved hereunder the produced in the first produced in the first proceeds realized in the prevailing ast field in which the commences its purcapable of either produced in the province of maintaining this in the end of said 90-cobeing sold by Lessed in premises or lands failure to properly produced in the properly produced in the produced in t	paying quantities from the shall be paid by Lessee rice then prevailing in the gracing peak and gas) all the gracing peak gas and gas	e leased premises to Lessor as follo _%) of such pro the shall have the come is same field, then all other substantered, less a thereof, less on or production o tice) pursuant to ox (c) if at the end of thereof, less a thereof, less on or being sold b thereof th	or from lands pooled the ws: (a) For oil and oth duction, to be delivered ontinuing right to purchal in the nearest field in ances covered hereby proportionate part of a grace grac	er liquid hydrocarbons in at Lessee's option to ase such production at which there is such at the royalty shall be ad valorem taxes and stances, provided that arme field (or if there is nitracts entered into on time thereafter one or quantities or such wells shall nevertheless e shut-in or production in made to Lessor or to to fisaid 90-day period ations, or if production the 90-day period next ut shall not operate to
be Lessor's deposito draft and such paym address known to Le payment hereunder,	oyant payments under this to y agent for receiving payme ents or tenders to Lessor or issee shall constitute proper Lessor shall, at Lessee's req provided for in Paragraph 3.	nts regardless o to the depositor payment. If the uest, deliver to I	of changes in the ow the by deposit in the depository should I Lessee a proper rec	nership of said land. All p US Mails in a stamped e iquidate or be succeeded ordable instrument namir	payments or tender invelope addressed d by another institu- ng another institution	is may be made in curre if to the depository or to tion, or for any reason on as depository agent to	ency, or by check or by the Lessor at the last fail or refuse to accept o receive payments.

5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called 'dry hole') on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force it shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other constitutions reasonably calculated to otherwise production this lease is not otherwise and the primary terms of such progrations reasonably calculated to otherwise production the primary terms of such progrations are accounted with operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with one cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease either before or after the commencement of production, whenever Lessee deems it necessary or

depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof. Lessee may terminate the unit by filing of record be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises 8. The interest of either L
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

  9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of
- the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced
- in accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing. Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.
- equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, not, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at leas

- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

  DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Yesse coronado Luis Coronado Elena G. Coronado Ruben Coronado Flena G. Coronado By: By:

OT 1 TO 1 OF 1 OF 1 OF 1 OF 1 OF 1 OF 1	A	CKNOWLEDGME	ENT	
STATE OF Texas	,	_		
COUNTY OF Tarrant This instrument was acknowledged before	me on the maintain <b>b</b> irm.	day of No	1	, 2008,
This instrument was acknowledged before by: Tesse Coronallo and wife	وع ( 00 علي ع	<u> </u>		_, 2000,
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COUNTY OF Joyront	. 4	1	D	
This instrument was acknowledged before by: Luis Consorado a married	me on the	day of	by some	_, 2008,
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	JUAN JUAN	STATE OF THE STATE	Notary Public State of Notary's name (printed): Notary's commission expires:	<u>~</u> 5
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by:				<del></del>
			Notary Public, State of	



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$24.00

Filed For Registration: 05/15/2008 07:54 AM
Instrument #: D208179969
LSE 4 PGS

D208179969

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